



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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SACHI A. HAMAI  
Interim Chief Executive Officer

June 22, 2015

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

## ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

#4 of June 22, 2015

  
PATRICK OGAWA  
ACTING EXECUTIVE OFFICER

Board of Supervisors  
HILDA L. SOLIS  
First District

MARK RIDLEY-THOMAS  
Second District

SHEILA KUEHL  
Third District

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Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

Dear Supervisors:

### APPROVAL OF AMENDMENT NO. 5 TO AGREEMENT NO. 67675 FOR FUNDING, OPERATION, AND MANAGEMENT OF THE LOS ANGELES COUNTY MUSEUM OF NATURAL HISTORY (SECOND DISTRICT AFFECTED) (3 VOTES)

#### SUBJECT

The Los Angeles County Museum of Natural History requests that the 1994 funding agreement between the County and the Los Angeles County Museum of Natural History Foundation be amended to reflect growth in facilities and programs at the Los Angeles County Museum of Natural History.

#### **IT IS RECOMMENDED THAT THE BOARD:**

Approve and instruct the Chairman to execute Amendment No. 5 (Amendment) to County Agreement No. 67675 with the Los Angeles County Museum of Natural History Foundation (Museum Foundation) which will amend the 1994 funding agreement (Funding Agreement) to increase the base amount of the County's funding obligation by \$1.5 million for the fiscal year commencing July 1, 2015. The increase will allow the County and the Museum Foundation to continue the successful operation of the Los Angeles County Museum of Natural History (Museum).

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Under the Funding Agreement, approved in 1994, the Museum Foundation and the County agreed to formalize their mutual funding commitment to the Museum. The Board's approval of Amendment No. 5 will ensure that the Museum maintains and

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enhances a robust program of services to the public. Since 1994, the Museum Foundation has undertaken significant capital improvements to the Exposition Park location that included converting three and one-half acres of hardscape into over 150,000 square feet of outdoor programmable space with learning gardens, a car park, and a new ticket booth. An additional 150,000 square feet of space within the Museum has been substantially renovated or newly constructed to also include gallery space and new permanent exhibits such as the Age of Mammals, Dinosaur Hall, and Becoming L.A., as well as amenities such as a new café, stores, bathrooms, elevators, and universal access ramps. In addition, the funding increase will enable the further enhancement of the visitor experience through the Museum's robust exhibition and other public programming.

The Natural History Family of Museums has over 1.1 million visitors annually and has one of the most diverse audiences in the nation. County residents make up 71 percent of the Museum's visitors, with more than 220,000 people who take advantage of the Museum's free admissions programs each year (Free Tuesday, California teachers and educators, military, and EBT card holders). In addition, nearly 200,000 school children visit the Museum free of charge annually. Approximately 500,000 children and their families participate annually in educational programs which include free programs such as Sustainable Sundays, Junior Scientists, Critter Club, Bug Fair, live animal presentations, and tours, as well as paid programs including First Fridays, field trips, gardening classes, and workshops.

In order to adequately account for the increase in the Museum's operating costs due to the significant improvements in Museum facilities and programs, the Museum requested, and the Board approved, the County's base funding amount be increased by \$1.5 million annually over a three year period beginning in fiscal year (FY) 2013-14, for a total of \$4.5 million.

The County and the Foundation executed three prior amendments to the Funding Agreement in 2013 and 2014. Amendment Nos. 2 and 3 in 2013 and Amendment 4 in 2014 increased the County's base funding amount by \$1.5 million in each of FY 2014 and FY 2015. This Amendment No. 5 represents the final funding increase, and will result in an aggregate total of \$4.5 million increased base funding by the County since FY 2013-14. As set forth in the Funding Agreement, the Museum Foundation is required to contribute an amount not less than 80 percent of the County's contribution. The Museum Foundation has contributed in excess of 100 percent of the County's contribution over the past few years.

### **Implementation of Strategic Plan Goals**

The recommended action supports countywide Strategic Plan Goal 1: Operational Effectiveness/Fiscal Sustainability, to maximize the effectiveness of processes, structure, and operations to support timely delivery of customer-oriented and efficient public services; and Strategic Plan Goal 2: Community Support and Responsiveness, to enrich lives of Los Angeles County residents by providing enhanced services, and effectively planning and responding to economic, social, and environmental challenges.

### **FISCAL IMPACT/FINANCING**

In FY 2014-15, the County's funding obligation under the Funding Agreement, as amended by Amendment Nos. 1, 2, 3, and 4, is \$18,146,000 and is included in the FY 2014-15 Final Adopted Budget approved by the Board on September 30, 2014.

Approval of this request will increase the County's funding obligation by \$1.5 million in FY 2015-2016 to \$19,773,000, including \$127,000 for a Consumer Price Index based-increase pursuant to the Funding agreement. The Museum Foundation is required to match the County's new contribution amount by a minimum of 80 percent.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On July 12, 1994, the Board and the Museum Foundation confirmed their mutual funding responsibilities for the operation and maintenance of the Museum facilities under the Funding Agreement with an initial term of 25 years.

Additionally, on September 26, 2006, the Board approved Amendment No. 1 to the Funding Agreement which extended the term 75 years from that date and clarified other various responsibilities of both the County and the Museum Foundation.

Further, on June 24, 2013, October 8, 2013, and June 23, 2014, the Board approved Amendment Nos. 2, 3 and 4, respectively, to the Funding Agreement which increased the County's base funding obligation under the Funding Agreement to assure continued stable funding and operation of the Museum after the Funding Agreement was executed.

This Amendment No. 5 will further increase the County base funding obligation under the Funding Agreement and is made in recognition of the longstanding public/private partnership between the County and the Museum Foundation which has evolved over many years and will continue to do so.

County Counsel has approved this Amendment No. 5 as to form.

### **ENVIRONMENTAL DOCUMENTATION**

Amendment No. 5 does not meet the definition of a "project" which is subject to the California Environmental Quality Act.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There is no negative impact on current services. Approval of Amendment No. 5 will ensure affordable, quality cultural experiences and life-long learning opportunities for the community, as well as bolster the Museum Foundation's ability to increase its base of private support through enhanced donor and investor confidence.

### **CONCLUSION**

Upon the Board's approval, the Executive Officer, Board of Supervisors is requested to return one original signed copy of the Amendment and one adopted stamped Board letter to the Museum Foundation, Attn: Jane Pisano, 900 Exposition Boulevard, Los Angeles, CA 90007; as well as one adopted copy of the Board letter and Amendment to the Chief Executive Office.

Respectfully submitted,



SACHI A. HAMAI  
Interim Chief Executive Officer

SAH:JJ:SHK:  
GS:LM:ef

Attachment

c: Executive Office, Board of Supervisors  
County Counsel  
Museum of Natural History  
Museum Foundation

**AMENDMENT NO. 5**  
**to**  
**FUNDING AGREEMENT**  
**for the**  
**LOS ANGELES COUNTY MUSEUM OF NATURAL HISTORY**

This Amendment No. 5 to the Funding Agreement for the Los Angeles County Museum of Natural History is made and entered into as of June 22 2015, by and between the COUNTY OF LOS ANGELES ("County"), a body corporate and politic and a political subdivision of the State of California, and the LOS ANGELES COUNTY MUSEUM OF NATURAL HISTORY FOUNDATION ("Foundation"), a nonprofit public benefit corporation organized under the laws of the State of California.

**WITNESSETH**

WHEREAS, the County and the Foundation entered into that certain Funding Agreement for the Los Angeles County Museum of Natural History ("Natural History Museum") dated July 12, 1994 (the "Funding Agreement") providing for, among other things, mutual funding obligations based on an annual amount certain, subject to a yearly adjustment; and

WHEREAS, the County and the Foundation entered into that certain Amendment No. 1 to the Funding Agreement, dated September 26, 2006 ("Amendment No. 1"), which extended the term of the Funding Agreement an additional 75 years from the date Amendment No. 1 was executed, and made other amendments to the Funding Agreement to ensure the continued stable funding and operation of the Natural History Museum and to implement potential improvements in funding and operations that were identified after the Funding Agreement was executed; and

WHEREAS, the County and the Foundation entered into that certain Amendment No. 2 to the Funding Agreement, dated June 24, 2013 ("Amendment No. 2"), which increased the base amount of the County's funding obligation under the Funding

Agreement to the sum of fifteen million nine hundred sixty-five thousand dollars (\$15,965,000) for fiscal year July 1, 2013 – June 30, 2014 ("Fiscal Year 2014"); and

WHEREAS, the County and the Foundation entered into that certain Amendment No. 3 to the Funding Agreement, dated October 8, 2013 ("Amendment No. 3"), which increased the base amount of the County's funding obligation under the Funding Agreement to the sum of sixteen million four hundred sixty-five thousand dollars (\$16,465,000) for Fiscal Year 2014; and

WHEREAS, the County and the Foundation entered into that certain Amendment No. 4 to the Funding Agreement, dated June 23, 2014 ("Amendment No. 4"), which increased the base amount of the County's funding obligation under the Funding Agreement to the sum of eighteen million one hundred forty-six thousand dollars (\$18,146,000) for fiscal year July 1, 2014, to June 30, 2015 ("Fiscal Year 2015"); and

WHEREAS, pursuant to Subsection (C) of Section 8 of the Funding Agreement, the base amount of the County's funding obligation is adjusted annually in accordance with the percentage increase or decrease, if any, in the Consumer Price Index – All Urban Consumers (Los Angeles, Anaheim, Riverside area) ("CPI"); and

WHEREAS, as of July 1, 2015, the base amount of the County's funding obligation for fiscal year July 1, 2015 – June 30, 2016 ("Fiscal Year 2016") will increase by one hundred twenty-seven thousand dollars (\$127,000) pursuant to the CPI adjustment required by Subsection (C) of Section 8 of the Funding Agreement, for a total base amount for Fiscal Year 2016 of eighteen million two hundred seventy-three thousand dollars (\$18,273,000); and

WHEREAS, the County and the Foundation wish to increase the base amount of the County's funding obligation under the Funding Agreement for Fiscal Year 2016 by an additional one million five hundred thousand dollars (\$1,500,000), for a total base

amount for Fiscal year 2016 of nineteen million seven hundred seventy-three thousand dollars (\$19,773,000).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and Foundation hereby agree as follows:

I. Subsection (K) of Section 8 of the Funding Agreement, which subsection was added by Amendment No. 2, is deleted in its entirety and replaced with the following:

(K) Adjustment to County Contribution and Base Year Amount.

- (1) Notwithstanding Section 8(C), above, the County Contribution for the fiscal year July 1, 2015 – June 30, 2016 ("Fiscal Year 2016") shall be the sum of nineteen million seven hundred seventy-three thousand dollars (\$19,773,000).
- (2) Beginning in Fiscal Year 2016, the Base Year Amount established in Section 8(B) of this Agreement shall be the amount of the County Contribution set forth in Section 8(K)(1) of this Agreement.
- (3) The Foundation Contribution, as defined in Section 8(D) of this Agreement, shall be calculated based on and reflect any upward adjustments and/or other increases provided by the County pursuant to this Subsection (K).

II. Except as expressly set forth in this Amendment No. 5 to the Funding Agreement, the Funding Agreement, and Amendment No. 1, Amendment No. 2, Amendment No. 3, and Amendment No. 4 thereto, shall remain in full force and effect according to their terms.

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IN WITNESS WHEREOF, this Amendment No. 5 to the Funding Agreement has been executed for the parties by their duly authorized officers as of the date first written above.

LOS ANGELES COUNTY MUSEUM OF  
NATURAL HISTORIC FOUNDATION



By: Jane G. Pisano  
Dr. Jane G. Pisano, President

COUNTY OF LOS ANGELES

By: Mike Antonovich  
Chair, Board of Supervisors

APPROVED AS TO FORM:

Mark J. Saladino  
County Counsel

By: Joseph M. Nicchitta  
Deputy

ATTEST PATRICK OGAWA  
ACTING EXECUTIVE OFFICER  
CLERK OF THE BOARD OF SUPERVISORS

By: Patrick Ogawa Deputy

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

# 4 JUN 22 2015

Patrick Ogawa  
PATRICK OGAWA  
ACTING EXECUTIVE OFFICER

PATRICK OGAWA  
Acting Executive Officer  
Clerk of the Board of Supervisors

By: Patrick Ogawa Deputy